

June 10, 2004

## EXTENDED CARE FUND (36X4032)

**1. PURPOSE:** This Veterans Health Administration (VHA) Directive provides financial policy and procedures for the Department of Veterans Affairs Extended Care Fund. **NOTE:** *There is established, as of November 30, 1999, in the Treasury of the United States, a revolving fund known as the Department of Veterans Affairs Extended Care Fund, intended to supplement existing long-term extended care funds. It is not intended to be a primary funding source for providing extended long-term care for veterans.*

**2. BACKGROUND:** Public Law (Pub. L.) 106-117, the Veterans Millennium Health Care and Benefits Act, established the Department of Veterans Affairs Extended Care Fund (see Title 38 United States Code (U.S.C.) 1710b). This Act authorized the establishment of a new, no-year revolving fund whose revenue would come from co-payments for providing extended care services for certain non-service connected veterans. This revolving fund is available without fiscal year limitation and without further appropriation. All amounts received by the Department of Veterans Affairs (VA) under this section must be deposited in, or credited to, this fund.

**3. POLICY:** It is VHA policy that amounts in the Department of Veterans Affairs Extended Care Fund must be available, without fiscal year limitation, and without further appropriation, for the exclusive purpose of providing long-term extended care services.

### 4. ACTION

a. VHA is authorized to:

(1) Provide, either directly or through contract, the following extended care services: institutional geriatric evaluations, nursing home care, domiciliary care, respite care, and other non-institutional alternatives to nursing home care as defined, such as: non-institutional geriatric evaluation, non-institutional respite care, and adult health day care. **NOTE:** *Extended care and/or long-term care (LTC) can be provided in either institutional or non-institutional settings.*

(2) Collect co-payments from non-service connected veterans, with income above a specified level. Co-payments are charged after the first 21 days of extended care services provided in any 12 month period.

(3) Establish a monthly co-payment limitation based on the veterans' "available resources."

(4) Deposit the amounts collected into the newly established Extended Care Fund, 36X4032. **NOTE:** *This is a no-year account and funds will remain available until expended.*

**THIS VHA DIRECTIVE EXPIRES JUNE 30, 2009**

## **VHA DIRECTIVE 2004-025**

**June 10, 2004**

- (a) Amounts collected remain with the facility collecting the funds.
- (b) Amounts collected will be used exclusively for the purpose of providing extended care services in VA facilities, in community-based facilities, or for services under contract.
- (c) Medical care cost centers are valid in this account, and all activities associated with providing extended care are valid, with the exception of employee travel.
- b. The facility Director is responsible for ensuring that:
  - (1) Costs are recorded in the following manner:
    - (a) Direct Medical Care. Use where costs are recorded in DSS using the 8200 series cost centers for VA Nursing Home Care, Domiciliary Care, Geriatric Evaluation (Institutional and Non-institutional), Inpatient Respite Care, and VA Adult Day Care.
    - (b) Contract Services. These include 8333 Adult Day Health Care Other than State Homes, 8342 Nursing Home Care – Community Homes.
  - (2) The following seven new revenue codes established in the Financial Management System (FMS) are implemented:
    - (a) 8MZZ LTC    Nursing Homes.
    - (b) 8GZZ LTC    Adult Day Health Care.
    - (c) 8HZZ LTC    Domiciliary.
    - (d) 8IZZ LTC    Respite (Institutional).
    - (e) 8JZZ LTC    Respite (Non-Institutional).
    - (f) 8KZZ LTC    Geriatric Evaluation (Institutional).
    - (g) 8LZZ LTC    Geriatric Evaluation (Non-Institutional).

**5. REFERENCES:** Public Law 106-117, Section 101.

**6. FOLLOW-UP RESPONSIBILITY:** The VHA Chief Financial Officer (173) is responsible for the contents of this Directive. Questions may be addressed to 202-273-8188.

**7. RESCISSIONS:** None. This VHA Directive expires June 30, 2009.

S/ Arthur S. Hamerschlag for  
Jonathan B. Perlin, MD, PhD, MSHA, FACP  
Acting Under Secretary for Health

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